GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1238
ANSWERED ON:09.02.2017
Higher Freight Cost on Coal
Patil Shri Chandrakant Raghunath

Will the Minister of COAL be pleased to state:

(a) whether Gujarat is on the Western Coast of the country and is at a distance of more than 1600 kilometers from the Eastern coal belt;

(b) if so, whether as a result of this, the freight cost on coal is higher than the actual coal cost resulting into higher cost of generation of power and if so, the details thereof;

(c) the steps taken by the Government to reduce cost of coal and burden to import coal and rationalization of coal linkage;

(d) whether the Government has taken any steps to allocate more coal to State Government/Gujarat State Electricity Corporation Limited keeping in view the huge requirement of coal by GSECL; and

(e) the steps initiated regarding swapping of coal to Government of Gujarat/GSECL keeping in view that domestic coal may be handled over at mine and imported coal at port and swapping to be based on heating value terms based on third party sampling and analysis at loading end ?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER, NEW AND RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) & (b): Yes, Madam. While the price of G-12 grade of coal of SECL or MCL is Rs. 760 per tonne, the rail freight for transporting coal to a distance of 1600 Kms is Rs. 2133.40 per tonne.

(c): In order to reduce import of coal, coal companies have been advised to improve domestic coal production. Further, to reduce import of high grade coal, Coal India Ltd. (CIL) has taken various steps for import substitution, including offering high grade coal through linkage to FSA holders and through various e-auctions, special forward e-auction, flexi tenure of lifting, reduction of Earnest Money Deposit and reserve price to cater to requirement of various consumers including Thermal Power Plants (TPPs) not having Fuel Supply Agreement (FSA). Source rationalisation of National Thermal Power Stations (NTPC) and its Joint Ventures (JVs), Tangedco, NTPL, Tuticorin, NTECL Vallur have been done. Allocation of additional high grades of coal through MoU/FSA to NTPC, Tangedco and NTPL, Tuticorin have been done towards import substitution. In the current year (2016-17) till 31.12.2016, indicative import substitution by FSA holding consumers of CIL has been to the tune of 12.8 MT (Provisional). As part of coal linkage rationalisation, overall movement of 40.536 MT of coal has been rationalised with annual potential savings of Rs.2,503.50 cr.

(d): In view of the comforatble coal stock,Thermal Power Plants (TPPs) of Gujarat have preferred to consume coal from their stock and have occasinally regulated coal lifting. In the current year (up to 31.12.2016), coal lifting under FSA by TPPs of Gujarat has been 9.51 MT against FSA commitment of 16.42 MT (Provisional), which is 58% materialization.

(e): For swapping of coal linkage, an agreement was signed between GSECL and NTPC to the effect that 1 MTPA of coal from SECL (Korea-Rewa field) would be supplied to NTPC, Seepat plant and in lieu of that GSECL will take imported coal of NTPC. Swapping is based on mutually agreed terms including heat value of coal. Further, sources of GSECL have been rationalized by transfer of 1.2 MT from SECL to WCL.

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